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VIA ECF

Hon. Valerie E. Caproni
United States District Court
Southern District of New York
40 Foley Square, Room 240
New York, NY 10007
(212) 805-6350
CaproniNYSDChambers@nysd.uscourts.gov

Re: *Syracuse Mountains Corp. v. Petróleos de Venezuela S.A.*, No. 1:21-cv-02684-VEC

Dear Judge Caproni:

We represent defendant Petróleos de Venezuela, S.A. (“PDVSA”) in the above-referenced action. As directed by this Court in its order dated February 11, 2022 [ECF No. 49], we submit this letter to provide the Court with an update regarding the status of discovery. PDVSA last updated this Court on these matters in its April 1, 2022 letter [ECF No. 77].

Letters of Request

Since its last discovery update, PDVSA has continued to work with local counsel to enforce the letters of request and letters rogatory issued by this Court.

Dinosaur Merchant Bank Ltd.

On April 29, 2022, Dinosaur Merchant Bank Ltd. produced documents responsive to the letter of request directed to that entity. No further proceedings are expected in connection with this letter of request.

The Bank of New York Depository (Nominees) Limited

On May 19, 2022, The Bank of New York Depository (Nominees) Limited responded to PDVSA’s request through a written letter denying it had any responsive information or documents. PDVSA’s counsel have sent follow-up correspondence to The Bank of New York Depository (Nominees) Limited seeking clarification from this entity and urging further production.

Zuma Bank Corporation

On May 31, 2022, a local court in Dominica ordered Zuma Bank Corporation to produce the requested documents in response to this court's letter rogatory within seven days. Accordingly, PDVSA expects to receive the requested documents by June 7, 2022.

Bank Internationale à Luxembourg; Bank of New York Mellon SA/NV, Luxembourg Branch; and Clearstream Banking S.A.

The three letters of request directed to entities in Luxembourg have each been forwarded from the Central Authority of Luxembourg to the competent jurisdiction for their enforcement, with no further updates since PDVSA's last letter to this Court.

Novo Banco S.A.

The letter of request to Portugal for Novo Banco, S.A. is still being adjudicated in the relevant local courts, with the court granting Novo Banco, S.A. an extension of time to file a response and objections to the request. Novo Banco, S.A. filed its response and objections on May 26, 2022, and PDVSA has until June 9, 2022 to file a reply and further documents with the court.

Euroclear Bank S.A./N.V.

On April 7, 2022, a Belgian court held the letter rogatory to Belgium for Euroclear Bank S.A./N.V. to be enforceable under Belgian law. PDVSA served Euroclear Bank S.A./N.V. with a copy of that Belgian court decision in accordance with Belgian procedural requirements on April 29, 2022, and is waiting for a response from Euroclear Bank S.A./N.V.

China CITIC Bank

The letter of request to China CITIC Bank is currently being processed by the Supreme People's Court of China. Local counsel has informed PDVSA that, due to recent COVID-19 outbreaks and resulting lockdowns in Beijing, the processing for this request may be delayed.

Gazprombank

Local counsel submitted the original letter of request to the Russian Federation for Gazprombank (Joint Stock Company) to the Russian Central Authority for execution on May 30, 2022. The delay in the submission of this letter of request was due to requirements of Russian authorities, which require letters of request to be translated, apostilled, and provided in original hard copy, and due to the disruption of mail services to and from Russia as the result of governmental sanctions imposed in response to Russia's invasion of Ukraine.

Third-Party Discovery

As set out in PDVSA's April 1, 2022 update to the Court, PDVSA determined that it was necessary to seek third-party discovery concerning Syracuse's ownership of the Notes, as well as information in support of PDVSA's champerty defense. PDVSA served subpoenas on Safra Bank of New York and Safra Securities LLC on March 18, 2022, and those entities have been producing documents to PDVSA on a rolling basis, including on April 22, April 27, and May 3. PDVSA has deposed three individuals associated with these Safra entities: Mauricio Abadi (a former Safra employee), Sheldon Kirsh (a current Safra executive), and Sigmund Peter Javier (a current Safra executive), on April 25, May 3, and May 4, respectively. On June 1, 2022, PDVSA noticed the deposition of Simoni Morato, another Safra executive, whose involvement in this litigation was revealed through documents produced by Safra in response to PDVSA's subpoena, and through the deposition of Sheldon Kirsh.

To date, PDVSA has been unable to obtain relevant documents held by J. Safra Sarasin, a third Safra entity located abroad, either from the domestic Safra entities or from Syracuse. Accordingly, on June 1, 2022, PDVSA filed an application to obtain the Court's assistance in obtaining these documents directly from J. Safra Sarasin through a letter of request.

Finally, on June 1, 2022, PDVSA noticed depositions of two beneficial owners of Syracuse in order to obtain further information in support of its champerty defense. Both of these depositions arise out of new information PDVSA uncovered during the depositions of Safra executives on May 3 and 4, 2022, and are likely to lead to the discovery of relevant information related to PDVSA's champerty defense.

Respectfully submitted,

/s/ Dennis H. Tracey, III

Dennis H. Tracey III

Counsel for Defendant Petróleos de Venezuela S.A.